

MACHVISION, INC.

2022 Annual Shareholders' Meeting Resolution

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Time: 9:00 a.m., May 26, 2022 (Thursday)

Place: No.2-1(NINI Life Square), Xin'an Road, Hsinchu Science Park, Hsinchu City, Taiwan.

Method: Physical shareholder's meeting.

Attendance:

Total outstanding shares : 44,728,234shares

Total shares represented by shareholders present in person or by proxy: 25,044,090shares

Percentage of shares held by shareholders present in person or by proxy: 55.99%

Chairperson: Wang, Guang-Shiah, Chairman of the Board of Directors

Recorder: Wen,Pei-Chun

1. Announcement

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum.
The Chairman called the meeting to order.

2. Chairman Greeting

3. Report Item:

Proposal 1: 2021 business report.

Description: For 2021 business report, refer to Attachment 1.

Proposal 2: 2021 Audit Committee's review report.

Description: For 2021 Audit Committee's review report, refer to Attachment 2.

Proposal 3: Employee and director compensation distribution of 2021.

Description: 1. According to Article 26 of the Articles of Incorporation of the Company, if the Company has profit after the closing of the annual book, the Company shall distribute no less than 5% as employees' compensation and no more than 3% as Directors' compensation.

2. The Company intends to distribute NT\$92,107,249 of employees' compensation and, in cash, NT\$12,830,861 of Directors' compensation. The above employee and director and supervisor compensation has been reviewed in the 1st meeting of the Remuneration Committee in 2022 and passed in the 6th meeting of the 9th-term Board of Directors on February 9 2022.

3. The difference between the amount of employee and director and supervisor compensation distributed and the estimate should be recognized as profit or loss in 2022.

Proposal 4: 2021 earnings distribution and cash dividend of APIC

Description: 1. According to Article 26-2 of the Articles of Incorporation of the Company, it is proposed that the Board of Directors be authorized to distribute dividends and the compensation in whole or in part, to be pay in cash after passing special resolution, and shall report in the shareholders' meeting.

2. According to resolution of the Board of Directors on February 9, 2022, the proposed cash dividend to shareholders will be distributed in cash, in NT\$9 for per stock. And in accordance with Article 241 of Company law and Articles of Incorporation of the Company, the amount based on the APIC which exceeds par value will be distributed in cash, in NT\$1 for per stock, total amount is NT\$447,282,340. The distribution of cash dividends is rounded to NT\$1, and the sum of a fractional amount less than NT\$1 is recognized as other revenue of the Company. 2021 earnings distribution please refer to Attachment 4.

3. Upon the approval of the meeting of Board of Directors, it is proposed that the Chairman be authorized to resolve the ex-dividend date, ex-right date, and other relevant issues. The Chairman also is authorized to adjust the cash and stock to distributed to each share based on the number of actual shares outstanding on the record date for distribution.

4. Proposed Resolutions:

Proposal 1: 2021 business report and financial statements (proposed by the Board of Directors)

Description: 1. The 2021 financial statements have been audited by the independent auditor. The financial statements, business report and earnings distribution have been reviewed and passed by the Audit Committee.

2. For the business report, independent auditor's report and financial statements refer to Attachment 1 and Attachment 3.

3. Please proceed to resolve.

Voting Results: the number of shares represented by the shareholders present at the time of voting was 25,044,090 and 25,013,888 votes were cast for the proposal, which was 99.87% of the votes represented by the shareholders present.

RESOLVED, that the 2021 business report and financial statements be and hereby were accepted as submitted.

Proposal 2: 2021 earnings distribution (proposed by the Board of Directors)

Description: 1. For the Distribution of 2021 Earnings which was reviewed by the Audit Committee and approved by the Board of Directors, refer to Attachment 4.

2. Please proceed to resolve.

Voting Results: the number of shares represented by the shareholders present at the time of voting was 25,044,090 and 25,014,922 votes were cast for the proposal, which was 99.88% of the votes represented by the shareholders present.

RESOLVED, that the 2021 earnings distribution be and hereby were accepted as submitted.

5. Discussion:**Proposal 1: Amendment to the Articles of Incorporation. (proposed by the Board of Directors)**

Description: 1. The comparison table of revised articles of the Articles of Incorporation in coordination with the company's operating policy and President No. 11000115851 is as follows.

2. Please proceed to discuss.

Article	Before Amendment	After Amendment	Remark
Article 6	The authorized capital of the Company is NT\$0.5 billion consisting of 50 million shares. The par value of each share is NT\$10, and such shares can be issued in separate installments.	The authorized capital of the Company is NT\$1 billion consisting of 100 million shares. The par value of each share is NT\$10, and such shares can be issued in separate installments.	According to the company's operating policy
Article 7	The share certificates of the Company shall without exception be in registered form, signed by, or affixed with seals of, at least three Directors, and authenticated by the competent authority before issuance.	The share certificates of the Company shall without exception be in registered form, signed by, or affixed with seals of, by the directors representing the company, and authenticated by the competent authority before issuance.	
Article 10	Shareholders' meetings of the Company are of two kinds: general shareholders' meetings and extra general shareholders' meetings. The General shareholders' meetings are convened once per year within six months from the close of the fiscal year. Extra general shareholders' meetings may be convened in accordance with applicable laws and regulations whenever necessary.	Shareholders' meetings of the Company are of two kinds: general shareholders' meetings and extra general shareholders' meetings. The General shareholders' meetings are convened once per year within six months from the close of the fiscal year. Extra general shareholders' meetings may be convened in accordance with applicable laws and regulations	Amendments to Articles 172-2 and 356-8 were amended and announced in accordance with President No. 11000115851.

		whenever necessary. Shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.	
Article 22:	The Company may establish the Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act based on operation needs. The Audit Committee shall be organized by at least three Independent Directors. The members of the Audit Committee are responsible for exercising the powers conferred by the Company Act, the Securities and Exchange Act and any other legal rules for prescribing the powers of supervisors. The Supervisors will cease to function and be dismissed on the date of instituting of the Audit Committee. The regulations on supervisors in this charter shall be immediately invalidated.	The Company may establish the Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act based on operation needs. The Audit Committee shall be organized by at least three Independent Directors. The members of the Audit Committee are responsible for exercising the powers conferred by the Company Act, the Securities and Exchange Act and any other legal rules for prescribing the powers of supervisors.	According to the company's operating policy.
Article 29	These Articles of Incorporation were adopted (Omitted)	These Articles of Incorporation were adopted (Omitted) The 18th amendment was made on May 26, 2022	According to the date of shareholders' meeting

Voting Results: the number of shares represented by the shareholders present at the time of voting was 25,044,090 and 24,991,217 votes were cast for the proposal, which was 99.78% of the votes represented by the shareholders present.

RESOLVED, that the amendment to Articles of Incorporation were accepted as submitted

6.Special Motion : None.

7.End of Meeting : The meeting was adjourned at 09:16 a.m. May 26, 2022.

(This meeting minutes were only recorded the summary of the essential issues during the meeting. The detail of the proceeding, procedure and Shareholder's Statement shall be governed by and subject to the audio and video recording materials)

2021 Business Report

Thank you for visiting shareholders' meeting in 2022. Over the past year, the Group's revenue in 2021 was NT\$ 2.750 billion, increase of 14.70%. The net profit after tax in 2021 was NT\$826,469 thousand, increase of 26.27%. The operating net profit margin was 38.86%, the net profit after tax was 30.05%, the return on assets was 20.23%, and the return on equity was 29.70%

1. Business Performance in 2021

(1) Business Performance

Unit: NTD thousands

	2021		2020		Increase(decrease)	
	Amount	%	Amount	%	Amount	%
Operating revenues	2,750,264	100.00	2,397,855	100.00	352,409	14.70
Gross profit	1,694,571	61.61	1,519,665	63.38	174,906	11.51
Operating income	1,068,766	38.86	869,096	36.24	199,670	22.97
Net income before income tax	1,044,967	38.00	804,407	33.55	240,560	29.91
Net income after income tax	826,469	30.05	654,515	27.30	171,954	26.27
Earnings per share (NT\$)	18.51		15.02		3.49	

(2) Budget execution

The company did not disclose financial forecasts in 2021.

(3) Financial income and expenditure and profitability analysis

			2021	2020	2019
Profitability	Return on assets (%)		20.23	19.45	26.66
	Return on equity (%)		29.70	28.15	40.19
	Rate to paid-up capital (%)	Operating income	239	194	251
		Pre-tax net profit	234	180	247
	Net profit ratio (%)		30.05	27.30	34.08
	Earnings per share (NT\$)		18.51	15.02	20.01

(4) Research and development status

The main research and development of the company in 2021 were as follows:

1. FPCB Assembly AVI
2. Multifield Laservia Inspector
3. Index 4W Teater
- 4.CSP 4W Tester
5. Inline Flip Chip Circuit AOI

2. Summary of the business plan for the year of 2021

Important production and sales policy and company development strategies :

With Taiwan's advantages in semiconductors, many customers have greatly expanded their IC substrate and FPC business in Taiwan. MACHVISION has not been absent and continued to cooperate in development to improve equipment testing efficiency and capabilities to make customers more competitive. Saving labor, costs, as well as management and operating expenses. In addition, 5G-related applications and other products have also continued to improve to maintain the core competitiveness.

Under the uncertainty of Global economic MACHVISION invest in the product " Index 4W Teater " that has allied with different industries. The equipment is mainly developed for HDI, 5G, and high-end circuits of automotive PCB. MACHVISION continues to innovate the products for the long-term competitiveness.

In order to cope with the changeable environment MACHVISION will execute the plans for staff training and organizational adjustment to enhance the core value. Besides MACHVISION invites supply chain to join carbon-neutral economy for Corporate Sustainability.

MACHVISION is the world's only one-stop supplier of optical inspection equipment. With more than two decades of professional operation, 90% of the world's top 100 PCB manufacturers are currently the loyal customers of MACHVISION. The strong R&D capabilities have always been one of our core competitiveness. The Company will continue to dedicate to developing three core technologies of automatic optical inspection, which would respectively be 2D/3D measurement, circuit inspection, and appearance defect inspection. In 2020, the Smart Image R&D Center was established to invest more R&D resources to develop new products, create a larger market, and improve business performance and profits.

Finally, I would like to thank all the shareholders for your support and kindness. The company's colleagues will continue to work hard to create greater value for all shareholders. We would hope that all Shareholders continuously to give MACHVISION support and encouragement just like the past.

Chairman: Wang, Guang-Shiah

General Manager: Chen, Fu-Sheng

Accounting Supervisor: Wen, Pei-Chun

Attachment 2**MACHVISION, INC.
Audit Committee Review Report**

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements and earnings distribution proposal. The financial statements were audited by KPMG Taiwan and issued the audit report. These have been reviewed by the Audit Committee and determined to be correct and accurate. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Audit Committee Convener: Lee, Tsu-Der

February 9, 2022

Independent Auditors' Report

To the Board of Directors of Machvision Inc. Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Machvision Inc. Co., Ltd. (the "Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to notes 4(n) and 6(p) for disclosures related to revenue recognition.

Description of key audit matter:

Revenue is the key indicator used by investors and management while evaluating the Group's finance or operating performance. The accuracy of the timing and amount of revenue recognition have significant impact on the financial statements. Therefore, we consider it as one of our key audit matters.

How the matter was addressed in our audit:

Understanding and testing the effectiveness of the design of, and implementing the internal control of sales and collecting cycles; reviewing the revenue recognition of significant sales contracts to determine whether the key judgment, estimation, and accounting treatment are reasonable; understanding the type of products and the sales of machinery equipment of the top 10 customers; calculating the turnover days of sales and accounts receivable to ensure whether clients' credit terms are in accordance with the ratios, and analyzing the changes in the top 10 customers from the most recent period and prior year to determine if there were any abnormalities; selecting sales transaction from a certain period of time before and after the last shipping date, and verifying them with the vouchers to determine the accuracy of the timing whether there are any abnormalities; as well as understanding whether there is a significant subsequent sales returns.

2. Impairment of accounts receivable (including long-term receivables)

Please refer to notes 4(g), 5 and 6(b) for disclosures related to impairment of trade receivables.

Description of key audit matter:

The notes, accounts and long-term accounts receivable constituted 33% of total consolidated assets of the Group as of December 31, 2021, and the impairment of notes, accounts and long-term accounts receivable depends on the evaluation of the management based on the evidence of internal and external factors, both subjective and objective. Therefore, we consider them as one of our key audit matters.

How the matter was addressed in our audit:

Testing the effectiveness of control points relating to cash collection; obtaining the list of accounts receivable balance to send confirmations for selected samples; acquiring the Group's computation of impairment loss rate to review its appropriateness; deriving the aging analysis of accounts receivables to verify the accuracy of aging periods by examining relevant documents of selected receivables; reviewing whether the recognition of provision for the impairment loss is based on the impairment loss rate; and evaluating whether the recognition of impairment on accounts receivable made by the management is reasonable.

3. Inventory measurement

Please refer to notes 4(h), 5 and 6(c) for disclosures related to inventory measurement.

Description of key audit matter:

The inventories of the Group are mainly optical inspection machinery equipment and their related parts. The products may be outdated or no longer meet the market demand due to the rapid changes in technology, the demand of related products and their prices may fiercely fluctuate, and the impairment of inventory depends on the evaluation of the management based on the evidence of internal and external factors, both subjective and objective. Therefore, we consider them as one of our key audit matters.

How the matter was addressed in our audit:

Assessing the accounting policy on inventory measurement to determine its reasonableness; reviewing the inventory aging documents and analyzing the changes to ensure that the process of inventory valuation is in conformity with the accounting policies; understanding and evaluating whether if the basis used for net realizable value is reasonable; selecting samples and verifying them to ensure they are consistent with the vouchers; and reviewing whether the disclosure of inventory measurement made by the management is appropriate.

Other Matter

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor' s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Po-Shu Huang and Chung Shun Wu.

KPMG

Taipei, Taiwan (Republic of China)
February 9, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020				December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
11xx	Current assets:					21xx	Current liabilities:				
1100	Cash and cash equivalents (note 6(a))	\$ 1,976,971	44	1,616,607	44	2130	Current contract liabilities (note 6(p))	93,904	2	31,885	1
1151	Notes receivable (notes 6(b) and (p))	36,838	1	15,284	-	2150	Notes payable	116	-	216	-
1170	Accounts receivable, net (notes 6(b) and (p))	1,334,010	30	1,110,321	30	2170	Accounts payable	302,585	7	245,897	7
130x	Inventories (note 6(c))	399,459	9	363,424	10	2209	Other payables (note 6(q))	352,386	8	319,164	9
1410	Prepayments	9,573	-	7,243	-	2216	Dividends payable (note 6(n))	89,457	2	-	-
1479	Other current assets	2,509	-	10,524	-	2230	Current tax liabilities	196,881	4	171,660	5
	Total current assets	3,759,360	84	3,123,403	84	2250	Provisions—current (note 6(j))	16,556	-	13,442	-
15xx	Non-current assets:					2280	Current lease liabilities (note 6(i))	16,638	-	12,039	-
1510	Financial assets at fair value through profit or loss—non-current (note 6(e))	15,744	-	10,744	-	2313	Deferred income (note 6(k))	990	-	1,038	-
1600	Property, plant and equipment (note 6(f))	267,020	6	271,280	7	2322	Current portion of long-term borrowings (note 6(k))	27,500	1	16,875	-
1755	Right-of-use assets (note 6(g))	263,364	6	77,013	2	2399	Other current liabilities	17,218	-	9,682	-
1780	Intangible assets (note 6(h))	-	-	83	-		Total current liabilities	1,114,231	24	821,898	22
1840	Deferred income tax assets (note 6(m))	46,993	1	57,564	2	25xx	Non-Current liabilities:				
1920	Refundable deposits	12,923	-	11,872	1	2540	Long-term borrowings (note 6(k))	173,190	4	199,535	5
1932	Long-term receivables (notes 6(b) and (p))	132,127	3	141,032	4	2580	Non-current lease liabilities (note 6(i))	250,300	6	66,286	2
1995	Other non-current assets (note 8)	11,551	-	16,296	-	2630	Long-term deferred income (note 6(k))	1,445	-	2,552	-
	Total non-current assets	749,722	16	585,884	16	2640	Net defined benefit liabilities (note 6(l))	11,692	-	11,286	-
							Total non-current liabilities	436,627	10	279,659	7
						2xxx	Total liabilities	1,550,858	34	1,101,557	29
							Equity attributable to shareholders of the company (note 6(n)):				
						3100	Ordinary shares	447,282	10	447,282	12
						3200	Capital surplus:				
						3211	Additional paid-in capital	165,731	4	568,285	15
						3235	Changes in equities of subsidiaries	-	-	4	-
						3280	Other capital surplus	28	-	23	-
								165,759	4	568,312	15
						3300	Retained earnings:				
						3310	Legal reserve	501,410	11	438,263	12
						3320	Special reserve	3,694	-	3,791	-
						3350	Unappropriated retained earnings	1,738,098	39	1,064,573	29
								2,243,202	50	1,506,627	41
						3400	Other equity interest:				
						3410	Foreign currency translation differences for foreign operations	(4,198)	-	(3,514)	-
							Total equity attributable to shareholders of the company	2,852,045	64	2,518,707	68
						36xx	Non-controlling interests	106,179	2	89,023	3
						3xxx	Total equity	2,958,224	66	2,607,730	71
1xxx	Total assets	\$ 4,509,082	100	3,709,287	100	2-3xxx	Total liabilities and equity	\$ 4,509,082	100	3,709,287	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (note 6(p))	\$ 2,750,264	100	2,397,855	100
5000	Operating costs (notes 6(c), (f), (g), (i), (j), (l), (q) and 7)	1,055,693	38	878,190	37
5900	Gross profit from operations	1,694,571	62	1,519,665	63
6000	Operating expenses (notes 6(b), (f), (g), (h), (i), (l), (q) and 7):				
6100	Selling expenses	266,095	10	234,554	10
6200	Administrative expenses	114,508	4	107,341	4
6300	Research and development expenses	282,238	10	243,672	10
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(37,036)	(1)	65,002	3
	Total operating expenses	625,805	23	650,569	27
6900	Net operating income	1,068,766	39	869,096	36
7000	Non-operating income and expenses (notes 6(d), (i) and (r)):				
7100	Interest income	3,203	-	2,474	-
7010	Other income	11,356	-	14,621	-
7020	Other gains and losses	(32,190)	(1)	(78,830)	(3)
7050	Financial costs	(6,168)	-	(2,954)	-
	Total non-operating income and expenses	(23,799)	(1)	(64,689)	(3)
7900	Net income before tax	1,044,967	38	804,407	33
7950	Less: Income tax expenses (note 6(m))	218,498	8	149,892	6
	Net income	826,469	30	654,515	27
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Losses on remeasurements of defined benefit plans	(397)	-	(803)	-
8349	Less: income tax related to items that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	(397)	-	(803)	-
8360	Items that will be reclassified subsequently to profit or loss:				
8361	Financial statements translation differences for foreign operations	(848)	-	1,007	-
8399	Less: income tax related to items that will be reclassified to profit or loss	(171)	-	(76)	-
	Total items that will be reclassified subsequently to profit or loss	(677)	-	1,083	-
8300	Other comprehensive income (loss), net of tax	(1,074)	-	280	-
8500	Total comprehensive income	\$ 825,395	30	654,795	27
	Net income attributable to:				
8610	Shareholders of the parent	\$ 827,745	30	660,048	27
8620	Non-controlling interests	(1,276)	-	(5,533)	-
		\$ 826,469	30	654,515	27
	Total comprehensive income attributable to:				
8710	Shareholders of the parent	\$ 826,664	30	660,274	27
8720	Non-controlling interests	(1,269)	-	(5,479)	-
		\$ 825,395	30	654,795	27
	Earnings per share (note 6(o)):				
9710	Basic earnings per share (in New Taiwan dollars)	\$ 18.51		15.02	
9810	Diluted earnings per share (in New Taiwan dollars)	\$ 18.36		14.93	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity interest Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Retained earnings			Total				
			Legal reserve	Special reserve	Unappropriated earnings					
Balance at January 1, 2020	\$ 426,082	59,512	309,915	2,957	1,115,977	1,428,849	(4,543)	1,909,900	132,918	2,042,818
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	128,348	-	(128,348)	-	-	-	-	-
Special reserve appropriated	-	-	-	834	(834)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(581,467)	(581,467)	-	(581,467)	(8,971)	(590,438)
Net income (loss)	-	-	-	-	660,048	660,048	-	660,048	(5,533)	654,515
Other comprehensive income	-	-	-	-	(803)	(803)	1,029	226	54	280
Total comprehensive income	-	-	-	-	659,245	659,245	1,029	660,274	(5,479)	654,795
Issue of shares	21,200	508,800	-	-	-	-	-	530,000	-	530,000
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(31,886)	(31,886)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	2,441	2,441
Balance at December 31, 2020	447,282	568,312	438,263	3,791	1,064,573	1,506,627	(3,514)	2,518,707	89,023	2,607,730
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	63,147	-	(63,147)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(89,457)	(89,457)	-	(89,457)	-	(89,457)
Special reserve reversal	-	-	-	(97)	97	-	-	-	-	-
Cash dividends from capital surplus	-	(402,554)	-	-	-	-	-	(402,554)	-	(402,554)
Other changes in capital surplus	-	5	-	-	-	-	-	5	-	5
Net income (loss)	-	-	-	-	827,745	827,745	-	827,745	(1,276)	826,469
Other comprehensive income	-	-	-	-	(397)	(397)	(684)	(1,081)	7	(1,074)
Total comprehensive income	-	-	-	-	827,348	827,348	(684)	826,664	(1,269)	825,395
Changes in non-controlling interests	-	(4)	-	-	(1,316)	(1,316)	-	(1,320)	18,425	17,105
Balance at December 31, 2021	\$ 447,282	165,759	501,410	3,694	1,738,098	2,243,202	(4,198)	2,852,045	106,179	2,958,224

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net income before tax	\$ 1,044,967	804,407
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation	39,673	35,478
Amortization	83	110
Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(37,036)	65,002
Interest expense	6,168	2,954
Interest income	(3,203)	(2,474)
Dividend income	(1,055)	(1,054)
Loss on disposal of property, plant and equipment	153	49
Loss on disposal of investments	-	4,074
Lease modification gains	(21)	(380)
Total adjustments to reconcile profit	4,762	103,759
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Notes receivable	(21,554)	(1,575)
Accounts receivable and long-term accounts receivable	(177,609)	33,865
Inventories	(39,608)	8,609
Prepayments	(2,330)	11,913
Other current assets	8,015	1,145
Total changes in operating assets, net	(233,086)	53,957
Net changes in operating liabilities:		
Contract liabilities	62,019	29,499
Notes payable	(100)	(777)
Accounts payable	56,973	(115,978)
Other payables	33,222	(98,766)
Provisions	3,114	1,317
Other current liabilities	7,536	(4,602)
Net defined benefit liability	9	54
Total changes in operating liabilities, net	162,773	(189,253)
Total changes in operating assets / liabilities, net	(70,313)	(135,296)
Total adjustments	(65,551)	(31,537)
Cash provided by operating activities	979,416	772,870
Interest income received	3,064	2,247
Income tax paid	(182,535)	(31,373)
Net cash provided by operating activities	799,945	743,744
Cash flows from investing activities:		
Acquisition of financial assets designated at fair value through profit or loss	(5,000)	(1,100)
Proceeds from disposal of subsidiaries	-	17,397
Acquisition of property, plant and equipment	(18,581)	(37,798)
Proceeds from disposal of property, plant and equipment	-	2,252
Decrease (increase) in refundable deposits	(1,051)	4,659
Decrease (increase) in other non-current assets	4,745	(2,095)
Dividends received	1,055	1,054
Net cash used in investing activities	(18,832)	(15,631)
Cash flows from financing activities:		
Proceeds from long-term debt	-	220,000
Repayments of long-term debt	(16,875)	-
Payment of lease liabilities	(13,981)	(10,915)
Cash dividends paid	(402,554)	(590,438)
Proceeds from issuing shares	-	530,000
Interest paid	(3,469)	(3,710)
Changes in non-controlling interests	17,105	2,441
Surplus not paid due to overdue	5	-
Net cash used in financing activities	(419,769)	147,378
Effect of exchange rate changes on cash and cash equivalents	(980)	(783)
Net increase in cash and cash equivalents	360,364	874,708
Cash and cash equivalents at beginning of period	1,616,607	741,899
Cash and cash equivalents at end of period	<u>\$ 1,976,971</u>	<u>1,616,607</u>

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Machvision Inc. Co., Ltd.:

Opinion

We have audited the financial statements of Machvision Inc. (the "Company"), which comprise the statement of financial position as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to notes 4(n) and 6(p) for disclosures related to revenue recognition.

Description of key audit matter:

Revenue is the key indicator used by investors and management while evaluating the Company's finance or operating performance. The accuracy of the timing and amount of revenue recognition have significant impact on the financial statements. Therefore, we consider it as one of our key audit matters.

How the matter was addressed in our audit:

Understanding and testing the effectiveness of the design of, and implementing the internal control of sales and collecting cycles; reviewing the revenue recognition of significant sales contracts to determine whether the key judgment, estimation, and accounting treatment are reasonable; understanding the type of products and the sales of machinery equipment of the top 10 customers; calculating the turnover days of sales and accounts receivable to ensure whether clients' credit terms are in accordance with the ratios, and analyzing the changes in the top 10 customers from the most recent period and prior year to determine if there were any abnormalities; selecting sales transaction from a certain period of time before and after the last shipping date, and verifying them with the vouchers to determine the accuracy of the timing whether there are any abnormalities; as well as understanding whether there is a significant subsequent sales returns.

2. Impairment of trade receivables

Please refer to notes 4(f), 5 and 6(b) for disclosures related to impairment of trade receivables.

Description of key audit matter:

The notes, accounts and long-term accounts receivable constituted 37% of total assets of the Company as of December 31, 2021, and the impairment of notes, accounts and long-term accounts receivable depends on the evaluation of the management based on the evidence of internal and external factors, both subjective and objective. Therefore, we consider them as one of our key audit matters.

How the matter was addressed in our audit:

Testing the effectiveness of control points relating to cash collection; obtaining the list of accounts receivable balance to send confirmations for selected samples; acquiring the Company's computation of impairment loss rate to review its appropriateness; deriving the aging analysis of accounts receivables to verify the accuracy of aging periods by examining relevant documents of selected receivables; reviewing whether the recognition of provision for the impairment loss is based on the impairment loss rate; and evaluating whether the recognition of impairment on accounts receivable made by the management is reasonable.

3. Inventory measurement

Please refer to notes 4(g), 5 and 6(c) for disclosures related to inventory measurement.

Description of key audit matter:

The inventories of the Company are mainly optical inspection machinery equipment and their related parts. The products may be outdated or no longer meet the market demand due to the rapid changes in technology, the demand of related products and their prices may fiercely fluctuate, and the impairment of inventory depends on the evaluation of the management based on the evidence of internal and external factors, both subjective and objective. Therefore, we consider them as one of our key audit matters.

How the matter was addressed in our audit:

Assessing the accounting policy on inventory measurement to determine its reasonableness; reviewing the inventory aging documents and analyzing the changes to ensure that the process of inventory valuation is in conformity with the accounting policies; understanding and evaluating whether if the basis used for net realizable value is reasonable; selecting samples and verifying them to ensure they are consistent with the vouchers; and reviewing whether the disclosure of inventory measurement made by the management is appropriate.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The governance unit (including the audit committee) of MACHVISION, INC. is responsible for supervising the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Po-Shu Huang and Chung Shun Wu

KPMG

Taipei, Taiwan (Republic of China)

February 9, 2022

		December 31, 2021		December 31, 2020				December 31, 2021		December 31, 2020						
		Amount	%	Amount	%			Amount	%	Amount	%					
Assets																
Current assets:																
1100	Cash and cash equivalents (note 6(a))	\$	1,727,941	39	1,374,032	38	2130	Current contract liabilities (note 6(p))	\$	75,607	2					
1151	Notes receivable (notes 6(b) and (p))		,205	-	175	-	2150	Notes payable		116	-					
1170	Accounts receivable, net (notes 6(b) and (p))		1,019,149	23	807,253	22	2170	Accounts payable		298,884	7					
1180	Accounts receivable-related parties (notes 6(b), (p) and 7)		340,347	8	203,697	6	2180	Accounts payable-related parties (note 7)		42,021	1					
1210	Other receivables-related parties(note 7)		3,620	-	24,579	1	2209	Other payables (note 6(q))		300,689	7					
130x	Inventories (note 6(c))		385,442	9	338,993	9	2216	Dividends payable (note 6(n))		89,457	2					
1410	Prepayments		2,633	-	2,740	-	2220	Other payables-related parties (note 7)		78,900	2					
1479	Other current assets		17	-	5,113	-	2230	Current tax liabilities		194,852	4					
Total current assets			3,479,354	79	2,756,582	76	2250	Provisions — current (note 6(j))		16,556	-					
Non-current assets:												2280	Current lease liabilities (note 6(i))		14,684	-
1510	Financial assets at fair value through profit or loss—non-current (note 6(e))		9,644	-	9,644	-	2313	Deferred income (note 6(k))		990	-	1,038	-			
1550	Investment using the equity method (note 6(d))		131,297	3	104,717	3	2322	Current portion of long-term borrowings (note 6(k))		27,500	1	16,875	-			
1600	Property, plant and equipment (note 6(f))		237,639	5	240,404	7	2399	Other current liabilities		4,529	-	1,785	-			
1755	Right-of-use assets (note 6(g))		259,549	6	73,376	2	Total current liabilities			1,144,785	26	855,576	23			
1780	Intangible assets (note 6(h))		-	-	83	-	Non-current liabilities:									
1840	Deferred income tax assets (note 6(m))		46,831	1	54,030	1	2540	Long-term borrowings (note 6(k))		173,190	4	199,535	6			
1920	Refundable deposits		8,401	-	8,720	-	2580	Non-current lease liabilities (note 6(i))		248,383	6	64,313	2			
1932	Long-term receivables (notes 6(b) and (p))		132,127	3	141,032	4	2630	Long-term deferred income (note 6(k))		1,445	-	2,552	-			
1942	Long-term receivable-related parties (notes 6(b) 、(p) and 7)		118,436	3	258,003	7	2640	Net defined benefit liabilities (note 6(l))		11,692	-	11,286	-			
1995	Other non-current assets (notes 8)		11,551	-	16,296	-	2650	Investment using the equity method with credit balance(note 6(d))		3,289	-	10,918	-			
Total non-current assets			955,475	21	906,305	24	Total non-current liabilities			437,999	10	288,604	8			
								Total liabilities			1,582,784	36	1,144,180	31		
								Equity(note 6(n)):								
								Ordinary shares			447,282	10	447,282	12		
								Capital surplus:								
								3211	Additional paid-in capital		165,731	4	568,285	16		
								3235	Changes in equities of subsidiaries		-	-	4	-		
								3280	Other capital surplus		28	-	23	-		
											165,759	4	568,312	16		
								Retained earnings:								
								3310	Legal reserve		501,410	11	438,263	12		
								3320	Special reserve		3,694	-	3,791	-		
								3350	Unappropriated retained earnings		1,738,098	39	1,064,573	29		
											2,243,202	50	1,,506,627	41		
								Other equity interest:								
								3410	Foreign currency translation differences for foreign operations		(4,198)	-	(3,514)	-		
Total assets		\$	4,434,829	100	3,662,887	100	Total equity			2,852,045	64	2,518,707	69			
							Total liabilities and equity		\$	4,434,829	100	3,662,887	100			

MACHVISION INC.**Parent Company Only Statements of Comprehensive Income****(In Thousands of New Taiwan Dollars , Except Earnings Per Share)**

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (note 6(p) and 7)	\$ 2,573,526	100	2,263,325	100
5000	Operating costs (notes 6(c), (f), (g), (i),(j),(l),(q)and 7)	1,030,315	40	848,714	37
	Gross profit	1,543,211	60	1,414,611	63
5910	Decrease: unrealized sales benefits	5,032	-	4,580	-
5900	Gross profit from operations	1,538,179	60	1,410,031	63
6000	Operating expenses (notes 6(b), (f), (g), (h) ,(i), (l),(q)and 7):				
6100	Selling expenses	155,856	6	148,791	6
6200	Administrative expenses	113,323	5	102,152	5
6300	Research and development expenses	253,190	10	221,156	10
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(15,520)	(1)	38,024	2
	Total operating expenses	506,849	20	510,123	23
	Net operating income	1,031,330	40	899,908	40
7000	Non-operating income and expenses (note 6(i), (r) and 7)):				
7100	Interest income	2,754	-	1,833	-
7010	Other income	33,411	1	34,667	1
7020	Other gains and losses	(26,662)	(1)	(77,844)	(3)
7050	Financial costs	(6,149)	-	(2,894)	-
7775	Share of profit (losses) of subsidiaries for using equity method	5,121	-	(48,387)	(2)
	Total non-operating income and expenses	8,475	-	(92,625)	(4)
	Net income before tax	1,039,805	40	807,283	36
7950	Less: Income tax expenses (note 6(m))	212,060	8	147,235	7
	Net income	827,745	32	660,048	29
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Losses on remeasurements of defined benefit plans	(397)	-	(803)	-
8349	Less: income tax related to items that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	(397)	-	(803)	-
8360	Items that will be reclassified subsequently to profit or loss:				
8361	Financial statements translation differences for foreign operations	(855)	-	953	-
8399	Less: income tax related to items that will be reclassified to profit or loss	(171)	-	(76)	-
	Total items that will be reclassified subsequently to profit or loss	(684)	-	1,029	-
8300	Other comprehensive income (loss), net of tax	(1,081)	-	226	-
8500	Total comprehensive income	\$ 826,664	32	660,274	29
	Earnings per share (note 6(o)):				
9710	Basic earnings per share (in New Taiwan dollars)	\$ 18.51		15.02	
9810	Diluted earnings per share (in New Taiwan dollars)	\$ 18.36		14.93	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MACHVISION INC.

Parent Company Only Statements of Changes in Equity
(In Thousands of New Taiwan Dollars)

				Retained earnings			Total other equity interest Exchange differences on translation of foreign financial statements	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total		Total equity
Balance at January 1, 2020	\$ 426,082	59,512	309,915	2,957	1,115,977	1,428,849	(4,543)	1,909,900
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	128,348	-	(128,348)	-	-	-
Special reserve appropriated	-	-	-	834	(834)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(581,467)	(581,467)	-	(581,467)
Net income	-	-	-	-	660,048	660,048	-	660,048
Other comprehensive income	-	-	-	-	(803)	(803)	1,029	226
Total comprehensive income	-	-	-	-	659,245	659,245	1,029	660,274
Issue of shares	21,200	508,800	-	-	-	-	-	530,000
Balance at December 31, 2020	447,282	568,312	438,263	3,791	1,064,573	1,506,627	(3,514)	2,518,707
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	63,147	-	(63,147)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(89,457)	(89,457)	-	(89,457)
Special reserve reversal	-	-	-	(97)	97	-	-	-
Cash dividends from ordinary share	-	(402,554)	-	-	-	-	-	(402,554)
Other changes in capital surplus	-	5	-	-	-	-	-	5
Net income	-	-	-	-	827,745	827,745	-	827,745
Other comprehensive income	-	-	-	-	(397)	(397)	(684)	(1,081)
Total comprehensive income	-	-	-	-	827,348	827,348	(684)	826,664
Changes in non-controlling interests	-	(4)	-	-	(1,316)	(1,316)	-	(1,320)
Balance at December 31, 2021	<u>\$ 447,282</u>	<u>165,759</u>	<u>501,410</u>	<u>3,694</u>	<u>1,738,098</u>	<u>2,243,202</u>	<u>(4,198)</u>	<u>2,852,045</u>

MACHVISION INC.

Parent Company Only Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Net income before tax	\$ 1,039,805	807,283
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation	34,660	30,613
Amortization	83	110
Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(15,520)	38,024
Interest expense	6,149	2,894
Interest income	(2,754)	(1,833)
Dividend income	(884)	(884)
Net loss(gain) of investment using equity method	(5,121)	48,387
Loss on disposal of property, plant and equipment	121	-
Loss on disposal of investments	-	1,826
Unrealized sales benefits	5,032	4,580
Lease modification gains	-	(379)
Total adjustments to reconcile profit	21,766	123,338
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Notes receivable	(30)	(130)
Accounts receivable(long-term included)	(187,332)	107,405
Accounts receivable-related parties(long-term included)	3,337	(119,251)
Other receivables-related parties	20,959	1,088
Inventories	(50,022)	24,126
Prepayments	107	10,665
Other current assets	5,096	5,015
Total changes in operating assets, net	(207,885)	28,918
Net changes in operating liabilities:		
Contract liabilities	53,599	20,558
Notes payable	(100)	(777)
Accounts payable	71,110	(116,033)
Accounts payable-related parties	1,233	8,999
Other payables	15,895	(93,067)
Other payables-related parties	9,285	11,257
Provisions	3,114	1,317
Other current liabilities	2,744	(3,235)
Net defined benefit liability	9	54
Total changes in operating liabilities, net	156,849	(170,927)
Total changes in operating assets / liabilities, net	(51,036)	(142,009)
Total adjustments	(29,270)	(18,671)
Cash provided by operating activities	1,010,535	788,612
Interest income received	2,195	1,684
Income tax paid	(176,428)	(27,281)
Net cash provided by operating activities	836,302	763,015
Cash flows from investing activities:		
Acquisition of investments accounted for using the equity method	(36,295)	(48,725)
Proceeds from disposal of subsidiaries	-	32,079
Proceeds from capital reduction of investments accounted for using equity method	-	5,016
Acquisition of property, plant and equipment	(16,523)	(25,773)
Proceeds from disposal of property, plant and equipment	-	2,252
Decrease in refundable deposits	319	996
Decrease (increase) in other non-current assets	4,745	(2,095)
Dividends received	884	12,734
Net cash used in investing activities	(46,870)	(23,516)
Cash flows from financing activities:		
Proceeds from long-term debt	-	220,000
Payment of lease liabilities	(16,875)	-
Payment of lease liability	(12,649)	(8,991)
Cash dividends paid	(402,554)	(581,467)
Proceeds from issuing shares	-	530,000
Interest paid	(3,450)	(3,559)
Surplus not paid due to overdue	5	-
Net cash used in financing activities	(435,523)	155,983
Net increase in cash and cash equivalents	353,909	895,482
Cash and cash equivalents at beginning of period	1,374,032	478,550
Cash and cash equivalents at end of period	\$ 1,727,941	1,374,032

Attachment 4

MACHVISION, INC.
Earnings distribution statement
2021

Unit: NTD

Undistributed earnings at the beginning of the period	1,042,099,922
Increase : Net income-after tax, in 2021	827,745,364
Decrease: Determine the welfare plan (loss) benefits	(397,030)
Decrease: Changes in ownership interests in subsidiaries	(1,315,960)
Undistributed earnings in the current year	1,868,132,296
Decrease: Legal reserve (10%)	
For the six months ended June 30, 2021	(40,397,925)
Differences	(42,205,312)
Reversal of Special reserve	
For the six months ended June 30, 2021	(180,332)
Differences	(503,686)
Item :	
Less : Distributed earnings Cash dividends-2021 midterm	(89,456,468)
Less : Distributed earnings Cash dividends-2021	(402,554,106)
Undistributed earnings at the end of the period	1,292,834,467
The cash dividend is calculated according to the distribution ratio up to the NT\$, rounded down to the NT\$, and the total unpaid allocation is included in other income.	

Chairman: Wang, Guang-Shiah
Manager : Chen, Fu-Sheng
Accounting Supervisor: Wen, Pei-Chun